

BUFFALO FISCAL STABILITY AUTHORITY
Audit, Finance and Budget Committee Meeting Minutes
March 8, 2023

The following are the minutes from the meeting of the Audit, Finance and Budget Committee (the “Committee”) of the Buffalo Fiscal Stability Authority (the “BFSA”) held on Wednesday, March 8, 2023. The Board met in compliance with New York State Open Meeting Laws, as amended. The meeting was called to order at 12:32 PM.

Committee Members Present

Interim Vice-Chair Jeanette T. Jurasek
Secretary Frederick G. Floss

Committee Member Excused

Committee Chair R. Nils Olsen, Jr.

Additional Members Present

Director Andrew SanFilippo

Staff Present

Executive Director Jeanette M. Robe
Administrative Assistant Nikita M. Fortune
Principal Analyst/Media Liaison Bryce E. Link
Senior Analyst II/Manager of Technology Nathan D. Miller
Comptroller Claire A. Waldron, CPA

Opening Remarks

Committee Chair Pro Tem Floss welcomed the attendees to the meeting and called the roll of members. Finding a quorum present, the meeting commenced.

Approval of Minutes

Committee Chair Pro Tem Floss introduced AFB Resolution No. 23-01: “Approval of September 21, 2022 Meeting Minutes,” and asked for a motion to approve.

Interim Vice-Chair Jurasek offered a motion to approve the resolution.

Committee Chair Pro Tem Floss seconded the motion.

The Committee voted 2-0 to approve AFB Resolution No. 23-01.

BFSA 2023-24 Preliminary Budget and 2024-2027 Financial Plan

Committee Chair Pro Tem Floss introduced the BFSA’s fiscal year (“FY”) 2023-24 Preliminary Budget (the “Preliminary Budget”) and FY 2024-2027 Financial Plan (the “Financial Plan”) and deferred to Executive Director Jeanette Robe for comments. Executive Director Robe stated the draft budget was fiscally responsible and was carefully constructed with a focus on keeping costs for operating the organization as low as possible. The operating budget increases 2.7% as compared to last year’s budget, substantially lower than the inflation rate of 7.5%. BFSA’s

office relocation provided a 17% rent expense reduction. Increases in costs due to inflationary pressure are included in the budget. She asked if there were any questions on the budget.

Committee Chair Pro Tem Floss noted the preliminary budget as prepared by BFSA Staff commences the public commentary period, and requested any comments from any BFSA Board or Committee member. Hearing none, he stated approval of the budget would be required at the June Board meeting. He asked for a motion to approve AFB Resolution No. 23-02, "Authorize the BFSA to Post the Preliminary 2023-24 Budget and Related Four-Year Financial Plan" in addition to posting the budget at City branches of the Buffalo and Erie County Public Library.

Interim Vice-Chair Jurasek made the motion as requested.

Committee Chair Pro Tem Floss seconded the motion.

The Committee voted 2 to 0 to approve AFB Resolution No. 23-02.

Approval of BFSA Audit Engagement

Committee Chair Pro Tem Floss announced the next item of business: approval of Lumsden & McCormick, LLP, as auditors for the BFSA for the current fiscal year ending June 30, 2023. The Chair noted Lumsden & McCormick have provided excellent service over the past several years and noted the proposed audit fee increase of \$1,500. The firm was originally contracted following a request for proposal.

Interim Vice-Chair Jurasek made a motion to approve AFB Resolution No. 23-03: "Approve Engagement of Lumsden & McCormick, LLP as Independent Auditor of the BFSA for the Fiscal Year Ended June 30, 2023."

Committee Chair Pro Tem Floss seconded the motion.

The Committee voted 2-0 to approve AFB Resolution No. 22-03.

Review of the BFSA 2023 Internal Controls Review

Committee Chair Pro Tem Floss advanced the agenda to the BFSA 2022-23 internal controls review. The annual reporting for the 2023 internal controls review is performed by the appointed Internal Controls Officer, the appointment of which is a statutory requirement; Principal Analyst Bryce Link serves in this capacity. The purpose of the internal controls review is to ensure that established procedures and processes are adhered to. The BFSA has a staff of five employees. There is oversight of all transactions, with proper segregation of duties that ensures proper controls are in place. Committee Chair Pro Tem Floss gave the floor to Principal Analyst Link to report his findings.

Principal Analyst Link stated the BFSA maintains a rigorous system of controls to safeguard the BFSA's assets and assist the BFSA in meeting its mission.

The areas tested for FY 2022-23 were:

- Payroll processing and recording, and
- Hiring, training and evaluation

The following processes were reviewed as part of the internal controls testing:

- appropriate segregation of duties for Comptroller, Executive Director, and Treasurer
- good governance by posting and following internal policies
- looking for potential areas where fraud could occur undetected
- personnel hiring, training and professional development
- procedures for onboarding and separation from BFSA

Findings:

- no material findings
- adequate segregation of duties limits the prospect of fraud without the collusion of two to three staff members
- according to staff survey all staff are encouraged to pursue professional development
- infrequent staff turn-over – average new hire every four to five years

All recommended policies and procedures are posted on the BFSA website for transparency.

Committee Chair Pro Tem Floss and Executive Director Robe thanked Internal Controls Officer Link for the presentation and hearing no questions advanced the agenda.

Adjournment

Committee Chair Pro Tem asked if there was any additional business to be considered by the Committee. Hearing none, he asked for a motion to adjourn.

Interim Vice Chair Jurasek offered a motion to adjourn.

Committee Chair Pro Tem Floss seconded the motion.

The Committee voted 2-0 to adjourn the meeting.

The Committee adjourned at 12:56 PM.